

May 20, 1946

FCIC WHEAT HANDBOOK FOR THE AGENT

1947

This Handbook is designed for the use of the agent in selling wheat crop insurance covering the 1947, 1948, and 1949 crop years. It is intended to serve a twofold purpose. First, some of the main provisions of the wheat crop insurance program are outlined briefly for the convenience of the agent. However, the regulations should be studied carefully so that correct and complete information may be given about the insurance being sold. Second, typical examples are included for the guidance of the agent in the preparation and execution of both the application and the Agent's Sales Report.

SECTION I. DUTIES AND RESPONSIBILITIES OF THE CROP INSURANCE AGENT

If the agent is assigned a definite area, it is his duty to contact personally all wheat producers in the area. If a definite area is not assigned, he should contact personally as many wheat producers as possible throughout the county. Experience has shown that personal contact is the best method of selling. As a rule, prospects for insurance do not seek the agent. The agent must seek the prospective customer; "Insurance is sold -- not bought."

The agent should explain the major provisions of the program and the security it offers, and convince the prospect of his need for carrying crop insurance. In other words, he should point out the advantages of crop insurance, and, if possible, obtain an application. The explanation of the insurance program should be sufficiently complete so that there will be no misunderstanding of the insurance protection. Erroneous and incomplete information may ultimately lead to dissatisfaction with the insurance.

The agent shall see that all applications secured by him are complete and correct and are forwarded daily to the office of the county association, together with the Agent's Sales Report and any checks, postal notes, or money orders representing premium payments collected. The agent shall make certain that the typed or printed name on the application agrees with the signature of the applicant. All signatures shall be affixed in accordance with the instructions contained in the revised ACP-16, "Instructions on Signatures and Authorizations." Special attention should be given in those cases where a person signs an application in a representative capacity.

SECTION II. PRINCIPAL PROVISIONS OF THE 1947 WHEAT CROP  
INSURANCE PROGRAM

A. The Application and the Contract

1. An application may be submitted by a landlord, owner-operator, or tenant to cover their respective interest in a wheat crop. It covers all the wheat seeded on all insurable farms considered for crop insurance purposes to be located in the county, but it cannot cover any farm or part thereof which is designated as "non-insurable" on the listing sheet prior to the closing date for filing applications. The application will not cover any farm not located in the county.



2. A separate application must be submitted by each person who desires insurance on some farms in a personal capacity and on other farms in a fiduciary or representative capacity. For example, a person who desires insurance on his own farm and also on another farm for which he is acting as administrator of an estate, must submit separate applications.

Also, separate applications must be submitted by each person who desires insurance on some farms in an individual capacity and on other farms in a partnership capacity.

3. The insured may cancel the insurance contract for the second or third crop years by entering into a new three-year contract. He may also cancel his contract for the third year by giving written notice to the Corporation by mail within one year after the closing date for accepting applications in the county for the 1947 crop year. The Corporation may cancel the contract with respect to any insurance unit in any year by giving written notice to the insured on or before the closing date for filing application for such year.
4. Applications for insurance must be submitted to the agent or to the office of the county association on or before the closing date for accepting applications in the county or before the time of seeding, whichever is earlier.
5. Since the agent cannot change or waive any of the terms or conditions of the contract, he should be very careful in quoting the coverages and premium rates to prospective applicants. The official coverages and premium rates for each insurance unit are on file in the county office.
6. The insured's copy of the accepted application and a copy of the regulations will be mailed to him.
7. The right to an indemnity may be assigned by the original insured as security for a loan or other obligation by the use of a Form FCI-20 - "Collateral Assignment." The assignment may be filed in the office of the county association at the time the application is filed or any time thereafter as long as the original insured retains an interest in the insured crop. Only one collateral assignment will be recognized at any one time in connection with an insurance contract.

#### B. Partial Insurance Protection

The applicant may elect on his application partial insurance protection which shall be either 60, 70, 80, or 90 percent. Where partial insurance protection is elected, the premium and any indemnity which otherwise would be payable will be reduced accordingly. For example, the premium without partial insurance protection is 100 bushels. If the applicant elects 60 percent partial insurance protection, his premium will be 60 percent of the 100 bushels - or 60 bushels. Likewise, in this case, assuming a 200 bushel loss, the amount of indemnity payable will be 60 percent of the 200 bushels - or 120 bushels.

#### C. When Insurance Begins and Ends - What it Covers

1. Insurance on insured acreage begins when the crop is seeded.



2. Insurance ends upon threshing (unless combined and field-sacked and remaining in the field, in which event the insurance will not end until 120 hours thereafter) or removal from the insurance unit but in no event will losses be paid if damage occurs after October 31 of each year unless such date is extended in writing by the Corporation.
3. The insurance covers all spring and winter wheat seeded for harvest as grain. However, an application filed after the applicable closing date for winter wheat will not cover any acreage of the 1947 winter wheat crop. Neither will it cover any acreage of the 1947 spring wheat crop which is seeded on winter wheat acreage except whole fields of such acreage, or parts of such acreage with definite boundaries, which are reworked and reseeded to spring wheat and a full seeding of spring wheat is made. Such applications will cover both winter and spring wheat in the second and third years of the contract.
4. The insurance covers loss in yield due to practically all unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant diseases, and such other unavoidable causes as may be determined by the Board of Directors of the Corporation.
5. The insurance does not cover losses due to neglect, theft, use of defective seed, over-pasturage, failure properly to seed, care for, or harvest the crop, etc.

D. Minimum Participation Requirement

The Federal Crop Insurance Act provides that the Corporation cannot accept applications for insurance until the minimum participation requirement for the county is met. The minimum participation requirement for each county has been established by the Corporation and the county office will be so notified. The applications on file and the contracts covering all 1946 crops grown in the county which are authorized to be insured will count toward meeting this minimum. If it is not met, all the applications submitted will have to be rejected by the Corporation.

E. Premiums

1. The cost of administering the program is paid by the Federal Government and the premium rates are established to cover losses and cannot be used for administrative purposes.
2. By signing the application for crop insurance, the applicant executes a note for payment of the premium. The maturity date of the note is set forth in the Regulations but a premium may be paid at any prior time.
3. Promptly after seeding, the insured must submit a report on a form provided by the county committee of the wheat acreage seeded for harvest as grain on each farm in which he has an interest in the county. The annual premium will be computed in bushels on the basis of this acreage report. The premium bushels will be converted to dollars based on the cash equivalent price in effect on the date of payment or the maturity date of the note whichever occurs first.



4. Payment of the premium on an estimated basis at the time the application is signed should not be discouraged and may be accepted by the agent. However, payment to the agent must not be in cash but may be by check, postal note, money order, or bank draft, payable to the order of the Treasurer of the United States. Cash payments may be made at the office of the county association. Premium payments accepted by the agent shall be delivered to the county office which will send a Form FCI-13, "Receipt," to the applicant for each collection made by the agent.
5. Unless the premium is paid in full before the maturity date, the insured will be notified of the amount of the cash premium due.
6. The premium note bears no interest before maturity. Interest at the rate of one-half of one percent per month or portion thereof, beginning at maturity, will be charged on any portion of the premium which is not paid within two calendar months after maturity.
7. The insured's annual premium may be reduced 10 percent or as much as 50 percent, provided certain conditions are met. One of these conditions is that the producer must have carried wheat crop insurance every year for a period of years. In presenting this phase of the program the producer should be informed that failure to apply for insurance in any year when insurance is offered in the county (even though he seeds no wheat in such year) will break the continuity of participation and, therefore previous participation would not be considered in determining his eligibility for a reduced premium, unless the failure to submit an application was due to service in the active military or naval service of the United States. If insurance is not provided in a county because the minimum participation requirement is not met, the producer's continuity of participation will be considered broken if he fails to submit an application in such year.
8. The minimum annual premium for a 1947, 1948, and 1949 wheat insurance contract is 4 bushels.

F. Damage to or Loss of Crop Before it is Too Late to Reseed

If it becomes evident that a stand of wheat on any acreage will not be obtained without reseeding and it is practicable to reseed, or if any acreage of wheat is destroyed or substantially destroyed and it is practicable to reseed, such acreage will not be insured acreage unless it is reseeded to wheat. In such a case losses will not be paid and premiums will not be collected on such acreage.

G. Damage to or Loss of Crop After it is Too Late to Reseed

1. If the wheat crop on any acreage is destroyed after it is too late to reseed to wheat and a farmer desires to make other use of such acreage, he should promptly notify the county committee and request an inspection and a release of the acreage. An adjuster will make the inspection for the Corporation and any such acreage should not be put to another use unless it is released by the adjuster.



2. If the wheat crop on any acreage is damaged to the extent that a loss under the contract is probable, the farmer should notify the county committee promptly after such damage but in any event before the beginning of harvest or other use is made of the land.
3. The amount of indemnity payable for any insurance unit will be the insured production minus the insured interest in the harvested and appraised production, subject to certain adjustments as specified in the Regulations. Volunteer wheat, other volunteer small grains, volunteer vetch, and volunteer Austrian winter peas and volunteer dry edible peas growing with the seeded wheat crop, and small grains seeded with the growing wheat crop on acreage not released by the Corporation will be counted as production of wheat. In cases of threshed wheat which is so badly damaged due to insured causes, that it has a value less than 50 percent of the value of an equal quantity of good wheat a producer will be paid an indemnity so as to bring the value up to 50 percent of the value of good wheat. If the seeded acreage on the insurance unit exceeds the insured acreage, the loss for which indemnity will be payable shall be computed by apportioning the production to determine the amount applicable to the insured acreage.
4. Indemnities will be paid by the issuance of a Certificate of Indemnity which will show thereon the number of bushels of indemnity. Settlement under the Certificate of Indemnity will be made in cash upon request of the insured. The Certificate may also be used to obtain a loan from the Commodity Credit Corporation if loans on Certificates of Indemnity are available.

#### H. Transfer of Interest

1. If all or any part of the insured wheat crop is transferred to another person, the transferor should notify the county committee promptly in writing.
2. In case of a transfer prior to the beginning of harvest, the indemnity, if any, will be payable to the person or persons having the insured interest in the crop at the time of loss but is subject to a deduction for the premium. Any outstanding collateral assignment made by the original insured will be paid before the transferee receives any payment.
3. The original insured will be responsible for the payment of the entire premium.

#### I. Hail or Fire Insurance

The amount of loss under a Federal Crop Insurance Contract will not be reduced in cases where the insured farmer also acquires hail or fire insurance on his wheat crop.

Hail or fire insurance and Federal Crop Insurance are not competitive. In the first place, hail and fire are a single risk while Federal Crop Insurance covers essentially all unavoidable risks. In the second place, hail or fire



insurance indemnities are based on the percentage of damage to the crop whereas under Federal Crop Insurance an indemnity is paid if the crop remaining after damage thereto is less than the guaranteed coverage. Premium costs are not comparable because the protection offered is entirely different.

J. Protection Increases as Crop Progresses

For wheat contracts written since the 1945 wheat program a provision was included which provided for the amount of protection to increase as the wheat crop progressed. This provision has also been included for the 1947, 1948, and 1949 wheat program. Under this provision the insured may take either 50 percent or 75 percent level of insurance. However, on any acreage of wheat seeded to a substitute crop (as defined in section 418.87 of the Wheat Regulations for insurance contracts covering the 1947, 1948, and 1949 crop years) before the beginning of harvest in the area, after the release of acreage by the Corporation, the amount of loss payable cannot exceed 50 percent of the coverage on such acreage. On any other insured acreage of wheat not harvested for grain, the amount of loss payable cannot exceed 80 percent of the coverage on such acreage. An exception to this 80 percent provision is made when the 20 percent deduction exceeds 5 bushels. This exception would only apply on farms where the coverage per acre for the farm exceeds 25 bushels. Full protection applies to any acreage that is harvested.



### III. AGENT'S SALES REPORT

The following is a typical example of how the agent's sales report should be prepared by the agent. If the agent is submitting applications showing more than one commodity, such as wheat and flax, separate sales reports shall be prepared for the respective commodities.

\* \* \* \* \*

#### UNITED STATES DEPARTMENT OF AGRICULTURE Federal Crop Insurance Corporation

Form FCI-1  
Revised May 1945)

AGENT'S SALES REPORT

Sheet 1 of 1 Sheets

State Kansas

County Saline

Wheat  
Name of Crop)

Name of Applicant (A)	Address of Applicant (B)	Farm Serial No. 1/ (C)	Relation-ship to farm 2/ (D)	Identi-fication No. 3/ (E)	Remarks (F)
Joe Brown	Rt. 1, Salina, Kan.	100	Owner-operator		
" "	" " " "	101	Landlord		
John Doe	Rt. 1, Salina, Kan.	101	Share tenant	Joe Brown	
Joe T. Doe	Rt. 1, Salina, Kan.	1397	Owner-operator		
" "	" " " "	1855	Cash-tenant	John Smith	

- 1/ List the farm serial number for each farm in the county on which the applicant has an interest in the crop to be insured.
- 2/ State whether the applicant is landlord, owner-operator, cash tenant, share tenant, or sharecropper. If the applicant is a tenant or sharecropper, give the landlord's name in the "Remarks" column.
- 3/ The entries for this column will be made in the county office upon receipt of Form FCI-1 from the agent.

July 26 1946  
(Date)

Agent's signature Richard Roe

\* \* \* \* \*

The original of the agent's sales report shall be forwarded to the office of the county association each day, together with all copies of the signed applications and any premiums collected. The copy of the report shall be kept by the agent.



UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Federal Crop Insurance Corporation

Form FCI-712-W

Name and Address of Applicant:

Name John Doe

(Type or print)

Address: Rt. 1, Salina, Kansas

(Type or print)

(State and county code and application number)

(County)

(State)

APPLICATION FOR WHEAT CROP INSURANCE

(Pursuant to the Federal Crop Insurance Act, as amended)

A. This application covers the crop years 1947, 1948, 1949.

B. The undersigned applicant hereby applies to the Federal Crop Insurance Corporation (herein called "the Corporation") for insurance to cover his interest as landlord, owner-operator, or tenant in the wheat crop to be seeded for harvest as grain in any of the three years covered by this application. For each crop year the application covers all insurance units considered for crop insurance purposes to be located in the county designated above in which the applicant has an interest at the time of seeding. The insurance shall cover loss in yield of wheat due to unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board of Directors of the Corporation. It is understood and agreed that this application, when accepted by the Corporation, and the Wheat Crop Insurance Regulations for insurance contracts covering the 1947, 1948 and 1949 crop years (herein referred to as the Wheat Regulations) issued by the Corporation, including any amendments thereto, constitute the insurance contract. It is further understood and agreed that no terms or conditions of the contract shall be waived or changed except as authorized in writing by a duly authorized officer or representative of the Corporation.

C. The average yield(s) and premium rate(s) per acre for each insurance unit covered by the contract shall be those established by the Corporation for the first year of the contract and shall be on file in the office of the county association. If the insured acquires an interest in other insurance units for the second or third year of the contract, the average yield(s) and premium rate(s) for the insurance units shall be those established under the Wheat Regulations.

D. INSURED PERCENTAGE APPLIED FOR:

75

Percent

(Enter 50 or 75)

E. PARTIAL INSURANCE PROTECTION APPLIED FOR:

60

Percent

(Enter only 60, 70, 80 or 90, where applicable)

The undersigned applicant hereby applies for the percent partial insurance protection specified above. It is understood and agreed that where no entry appears in this item, the partial insurance protection will not be applicable. It is further understood and agreed that where the contract provides for partial insurance protection, the premium and indemnity (if any) will be reduced accordingly.

This name

should agree

with appli-

cant's signa-

ture

Enter the

correct mailing

address

Be sure and

enter the

insurance

percentage

applied for

If the appli-

cant elects

partial insur-

ance protection

be sure and enter

the percent



F. CLASS OF WHEAT FOR THE PAYMENT OF PREMIUMS AND INDEMNITIES:

It is understood and agreed that if the class of wheat to be used as the basis for the payment of premiums and indemnities is not entered above, or if the class of wheat designated by the applicant is not customarily grown in the area, the Corporation may enter or change the class of wheat. The class and grade of wheat to be used as the basis for the payment of premiums and indemnities shall be those determined by the Corporation.

G. NOTE FOR PREMIUM.--Subject to all terms and conditions of this application, the undersigned applicant promises to pay to the order of the Federal Crop Insurance Corporation, on or before the applicable maturity date for each crop year, specified in the Wheat Regulations, the amount of premium due from him under the contract for such year, either in cash or wheat, or both, with interest after maturity on any unpaid portion thereof at the rate of one-half of one percent for each calendar month or fraction thereof, except that no interest will be charged on any amount that is paid within two calendar months after maturity.

Any unpaid amount of this note (either before or after the maturity date) may be deducted from any indemnity payable under the contract, from the proceeds of any commodity loan to the insured, and from any payment made to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of Congress or program administered by the United States Department of Agriculture.

Be sure to enter date of signature  
Signature should be with ink or indelible pencil

Agent must sign as witness; a second witness is required by some states if applicant's signature is by mark.

July 26, 1946  
(Date)

(Signature of Applicant)

(Witness to Applicant's Signature)

H. RECOMMENDATION AND CERTIFICATION BY THE COUNTY COMMITTEE.--The undersigned member of the County Agricultural Conservation Committee, on behalf of such Committee, recommends acceptance of the application and certifies that, to the best of its knowledge and belief, the application has been submitted in accordance with the provisions of the Wheat Regulations and any amendments thereto, and that, if the signature of the applicant in Item G has been affixed by a person who signed as fiduciary or agent, such person had authority to act in such capacity.

194

(Signature of County Committeeman)

I. ACCEPTANCE BY THE FEDERAL CROP INSURANCE CORPORATION.--It is understood and agreed that upon acceptance of the application by a duly authorized representative of the Corporation, as evidenced by his approval below, the insurance contract shall be in effect, provided the application has been submitted in accordance with the provisions of the application and the Wheat Regulations.

THE FEDERAL CROP INSURANCE CORPORATION

(Date) 194

By: (Authorized Representative)

(Note: All checks, bank drafts, postal notes and money orders in payment of crop insurance premiums or indebtedness shall be made payable to the TREASURER OF THE UNITED STATES. Payment in cash shall be made only at the office of the county association.)



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